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RETAIL

IPO not in Neiman Marcus' foreseeable future

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Image courtesy of Neiman Marcus

By STAFF REPORTS

Department store chain Neiman Marcus has withdrawn its request to be listed as an initial public offering.

As with much of the retail sector, Neiman Marcus has been faced with ongoing challenges as more and more selling moves online. In addition to changing consumer behavior, Neiman Marcus has struggled with declining revenues.

IP no

Neiman Marcus was sold by private equity firms TPG Capital and Warburg Pincus in 2013 to Ares Management and the Canadian Pension Plan Investment Board. Neiman Marcus Group owns Neiman Marcus department stores, New York-based retailer Bergdorf Goodman and off-price seller, Last Call.

The retailer first filed for its flotation in August 2015. Two months later in October, Neiman Marcus announced plans to hold off until 2016 due to stock market uncertainty.

On Jan. 6, Neiman Marcus said in a statement:

"The company has determined that it is not in its best interest to proceed with the initial public offering contemplated by the Registration Statement at this time. The Registration Statement has not been declared effective by the [Securities and Exchange] Commission, and the company confirms that no securities have been sold in connection with the offering contemplated thereby."

Image courtesy of Neiman Marcus

News of its scrapped IPO comes after Neiman Marcus' revenues continued to decrease for the first quarter of fiscal 2017.

For the quarter ended Oct. 29, 2016, Neiman Marcus reported total revenues of $1.08 billion. Total revenues have decreased by 7.4 percent compared to the year-ago's $1.16 billion.

During the Q1 of fiscal 2017, Neiman Marcus recorded a decrease in comparable revenues of 8 percent.

The retailer's net loss totaled $23.5 million. Comparably, Neiman Marcus' net loss for the year-ago quarter was $10.5 million (see story).